

COMMISSIONERS
SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

OPEN MEETING ITEM



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ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

DATE: NOVEMBER 2, 2015

DOCKET NOS.: W-01689A-11-0401 AND WS-01689A-11-0402

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Belinda Martin. The recommendation has been filed in the form of an Order on:

CLEAR SPRINGS UTILITY COMPANY, INC.
(ORDER EXTENDING TIME DEADLINE CONTAINED IN
DECISION NOS. 74037 AND 75232)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

NOVEMBER 12, 2015

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

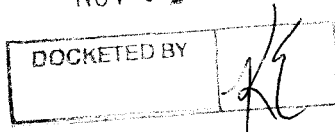
NOVEMBER 17, 2015 AND NOVEMBER 18, 2015

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

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NOV 02 2015



JODI JERICH
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail SABernal@azcc.gov.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 SUSAN BITTER SMITH – Chairman
4 BOB STUMP
5 BOB BURNS
6 TOM FORESE
7 DOUG LITTLE

8 IN THE MATTER OF THE APPLICATION OF
9 CLEAR SPRINGS UTILITY COMPANY, INC.
10 WATER DIVISION, FOR AUTHORITY TO
11 INCUR LONG-TERM DEBT.

DOCKET NO. W-01689A-11-0401

12 IN THE MATTER OF THE APPLICATION OF
13 CLEAR SPRINGS UTILITY COMPANY, INC.
14 WATER AND WASTEWATER DIVISIONS, FOR
15 PERMANENT RATE INCREASES.

DOCKET NO. WS-01689A-11-0402

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NOS. 74037 AND 75232

16 Open Meeting
17 November 17 and 18, 2015
18 Phoenix, Arizona

19 **BY THE COMMISSION:**

20 Having considered the entire record herein and being fully advised in the premises, the Arizona
21 Corporation Commission ("Commission") finds, concludes, and orders that:

22 **FINDINGS OF FACT**

23 1. On August 16, 2013, the Commission issued Decision No. 74037, approving rate
24 increases for Clear Springs Utility Company, Inc.'s ("Clear Springs" or "Company") Water Division
25 and Wastewater Division. The Decision also authorized Clear Springs to obtain a loan from the
26 Arizona Water Infrastructure Finance Authority ("WIFA") in the amount of \$426,249 for
27 improvements to Clear Springs' water system. The Commission ordered that this debt authorization
28 terminate on August 1, 2015.

2. The Decision required that Clear Springs must complete the system improvements being
funded by the WIFA loan by February 3, 2015, and file a completion affidavit within 10 days of
finishing the projects. The Company was also required to file Approvals of Construction ("AOCs")
for all improvements by July 1, 2015.

3. On February 26, 2015, Clear Springs docketed a request to extend the completion

1 deadline to February 3, 2016.

2 4. On July 28, 2015, the Commission's Utilities Division ("Staff") filed its Memorandum
3 addressing the request. Staff stated that Staff did not object to the requested extension. Staff
4 recommended that the debt authorization be extended to December 31, 2015, and the improvement
5 projects be completed by February 3, 2016.

6 5. On August 26, 2015, the Commission issued Decision No. 75232 extending the debt
7 authorization and time deadlines contained in Decision No. 74307.

8 6. Also on August 26, 2015, the Commission issued Decision No. 75231, an Order
9 correcting Decision No. 74037 *nunc pro tunc*. Decision No. 75231 noted that the Exhibits to Decision
10 No. 74037 had been omitted inadvertently. One of the omitted Exhibits, Exhibit C, was the list of
11 authorized improvement projects ("Projects").

12 7. On October 2, 2015, Clear Springs filed a request for further extensions of time for: (1)
13 The debt authorization termination from the current due date of December 31, 2015, to March 31, 2016;
14 (2) an extension of time for the completion of the improvements surrounding Wells 3 and 7 from the
15 current due date of February 3, 2016, to August 31, 2017; and (3) an extension of time to provide the
16 AOCs for the Projects from July 1, 2015, to August 31, 2017. The application states that the new
17 deadlines will provide a reasonable schedule to allow for the issuance of the loan and the completion
18 of the Projects.

19 8. On October 30, 2015, Staff submitted a Memorandum stating that Staff does not object
20 to the requested extensions of time, recommending that the expiration date for the debt authorization
21 be extended to March 31, 2016.

22 9. Staff also recommends that the due date for the completion of the improvements be
23 extended to August 31, 2017, and the 10-day completion affidavit requirement should remain in place.

24 10. In addition, Staff recommends that the due date for filing the AOCs should be extended
25 to August 31, 2017.

26 11. Staff concludes that the recommendations for debt authorization, system improvements,
27 and the AOC requirement should apply to all of the Projects.

28 12. We find that Staff's recommendations are reasonable and should be adopted.

CONCLUSIONS OF LAW

1
2 1. Clear Springs Utility Company, Inc. is a public service corporation within the meaning
3 of Article XV of the Arizona Constitution.

4 2. The Commission has jurisdiction over Clear Springs Utility Company, Inc. and over the
5 subject matter of the applications.

6 3. Staff's recommendations are reasonable and should be adopted.

7 **ORDER**

8 IT IS THEREFORE ORDERED the expiration date for the debt authorization for the Projects
9 shall be extended to March 31, 2016.

10 IT IS FURTHER ORDERED that the due date for the completion of the Projects shall be
11 extended to August 31, 2017.

12 IT IS FURTHER ORDERED that within 10 days after the Projects' completion, Clear Springs
13 Utility Company, Inc. shall file with Docket Control an affidavit confirming that the improvements to
14 PWS #02-048 and PWS #02-050 have been completed.

15 IT IS FURTHER ORDERED that the due date for filing the necessary Approvals of
16 Construction for the Projects shall be extended to August 31, 2017.

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1 IT IS FURTHER ORDERED that Clear Springs Utility Company, Inc. shall docket any future
2 requests for extension of time at least 90 days prior to any existing due dates.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

5
6 CHAIRMAN

COMMISSIONER

7
8 COMMISSIONER

COMMISSIONER

COMMISSIONER

9
10 IN WITNESS WHEREOF, I, JODI JERICH, Executive Director
11 of the Arizona Corporation Commission, have hereunto set my
12 hand and caused the official seal of the Commission to be affixed
13 at the Capitol, in the City of Phoenix, this _____ day
14 of _____ 2015.

15
16 JODI JERICH
17 EXECUTIVE DIRECTOR

18 DISSENT _____

19 DISSENT _____

20 BAM:tv(ru)

1 SERVICE LIST FOR: CLEAR SPRINGS UTILITY COMPANY, INC.

2 DOCKET NOS.: W-01689A-11-0401 and WS-01689A-11-0402

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